

# REPORT / RECOMMENDATION



**To:** Mayor and City Council

**Agenda Item #:** IV. C.

**From:** Bill Neuendorf  
Economic Development Manager

**Action** ☒

**Discussion** ☐

**Information** ☐

**Date:** July 12, 2013

**Subject:** Resolution No. 2013- 058, Authorizing An Application To The Minnesota Department of Employment and Economic Development for a Redevelopment Grant to Support The Redevelopment Of The Pentagon Park Property

**Action Requested:**

Adopt Resolution.

**Information / Background:**

**ABOUT DEED's REDEVELOPMENT GRANTS:** DEED has funding to support job creation through the redevelopment of sites that suffer from obsolescence and high vacancy. This competitive grant program will accept applications on August 1, 2013 and, if funds remain February 1, 2014. The property owner/ developer believes that this project has a strong chance of receiving funding based on the existing challenges and potential for job creation and reinvestment. This grant program requires a local match from the City and/or Developer.

**ANTICIPATED PROJECT:** This DEED grant application is anticipated to help initiate the redevelopment of the existing high rise office building located on the southern portion of the 37-acre Pentagon Park site. The existing structures will be razed to clear the site for new development. Approval of this Resolution will allow Hillcrest Development aka Pentagon South LLC to seek DEED grant funding for the Pentagon Park South project.

**Attachments:**

Resolution No. 2013-058

**RESOLUTION NO. 2013-058**

**AUTHORIZING AN APPLICATION TO THE MINNESOTA DEPARTMENT OF EMPLOYMENT  
AND ECONOMIC DEVELOPMENT FOR A REDEVELOPMENT GRANT TO SUPPORT THE  
REDEVELOPMENT OF THE PENTAGON PARK PROPERTY**

BE IT RESOLVED by the City Council of the City of Edina, Minnesota, as follows:

WHEREAS the City of Edina is a statutory city eligible to apply for grant funding; and

WHEREAS, the State of Minnesota Department of Employment and Economic Development is soliciting requests for grant applications to further redevelopment and employment goals; and

WHEREAS the City has identified a project that satisfies the Redevelopment Grant purpose and criteria; and

WHEREAS, the Pentagon Park South site suffers from a lack of investment by previous ownership and an exceptionally high vacancy rate; and

WHEREAS, it is apparent that the property's condition and value will continue to decline until it is properly repositioned and that the site appears unable to be returned to a highest and best use without grant assistance.

BE IT RESOLVED that the City of Edina act as the legal sponsor for project contained in the Redevelopment Grant Program to be submitted on August 1, 2013 and that Mayor James B. Hovland is hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of Pentagon South, LLC.

BE IT FURTHER RESOLVED that the City of Edina has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration.

BE IT FURTHER RESOLVED that the City of Edina is in the process of evaluating the conditions in and around the location of Pentagon Park South and that the likely outcome is confirmation that the area qualifies as a Tax Increment Financing District.

BE IT FURTHER RESOLVED that the City of Edina intends to give full consideration to the use of tax increment financing as a tool to provide the required local match so that the redevelopment goals can be achieved.

BE IT FURTHER RESOLVED that the City of Edina has not violated any Federal, State or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the City of Edina may enter into an agreement with the State of Minnesota for the above referenced project(s), and that the City of Edina certifies that it will comply with all applicable laws and regulation as stated in all contract agreements.

NOW, THEREFORE BE IT FINALLY RESOLVED that the Mayor and the Clerk are hereby authorized to execute such agreements as are necessary to implement the project on behalf of the applicant.

Adopted by the Edina City Council this 16<sup>th</sup> day of July, 2013.

Attest: \_\_\_\_\_

Debra A. Mangen, City Clerk

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James B. Hovland, Mayor

STATE OF MINNESOTA       )  
COUNTY OF HENNEPIN     )  
CITY OF EDINA             )

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CERTIFICATE OF CITY CLERK

I, the undersigned duly appointed and acting City Clerk for the City of Edina do hereby certify that the attached and foregoing City Council Minutes is a true and correct copy of the Resolution duly adopted by the Edina City Council at its regular meeting of July 16, 2013, and as recorded in the Minutes of said regular meeting.

WITNESS, my hand and seal of said City this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

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Debra A. Mangen, City Clerk